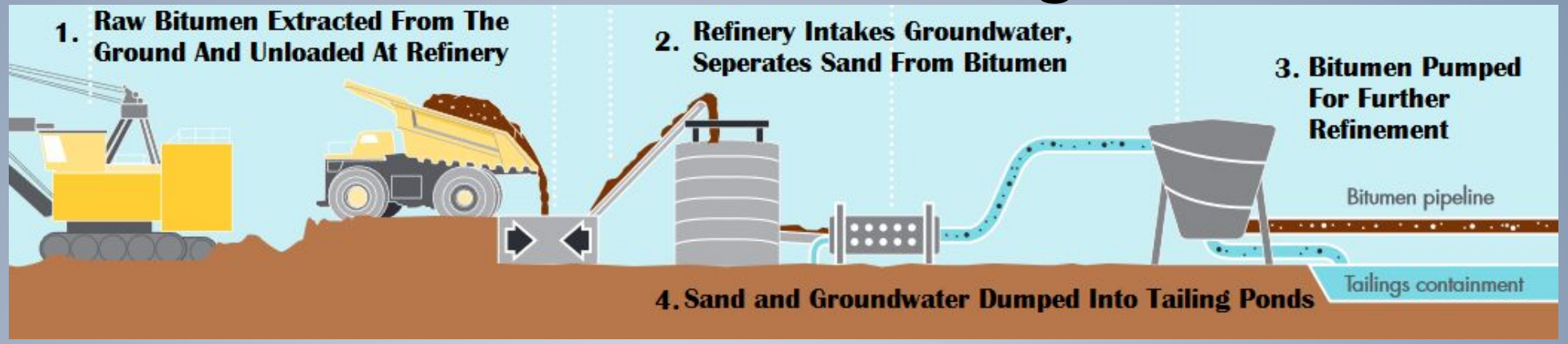
A Spring Thaw For Oil Sands

Internal Report On The Mammoth Biodegradation Method

CanOil Corporation

Brief Overview On Tailing Ponds



Mammoth Biodegradation

- Pilot Wastewater Treatment Facility dubbed “Mammoth”, fully operational
- Biodegradation Approach Uses Microbes With Engineered Enzymes To Degrade Hydrocarbon Waste Products
- Following the success of the pilot facility - expansions are under construction.
- Several notable advantages over traditional mechanical tailings pond treatment methods

Pioneer Treatment Facility 242
Walberg Bay, Alberta

Why Mammoth?

	Mammoth Biodegradation	Traditional Methods
Lifecycle of Tailing Ponds Treatment	5-6 Years With Current Technology	30-40 Years During Active Operations
Initial Facility (Millions of Dollars)	300	200
Lifetime Operational Cost (Millions of Dollars)	420	1330
Estimated On Site Staff Requirements	800	3000
Cost Of Wastewater Treatment Per Barrel of Oil (Bbl)	$14.09 per Bbl	$21.05 per Bbl
Wastewater End Form	Cleaned Water	Solid tailings locked in Earth

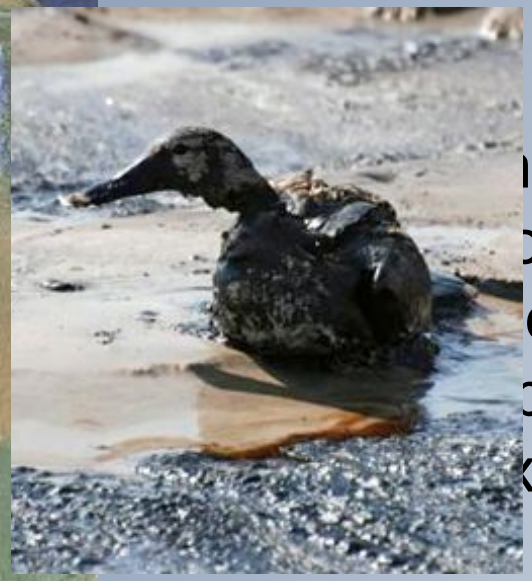
Advantages In Using Mammoth:

-Shorter lifecycle of treatment = less long-term investment

- Final product in the form of useable cleansed water, rather than locked into soil (as with previous treatment methods)

-Tailing ponds following treatment is non-toxic and can be used to create habitats = public reputation increase

What Does This Mean For CanOil?



An Oil Man, Ladies And Gentlemen

- osts of post extraction cleanup considerably reduced
- obal demand for oil continues to grow
- pportunity to expand “clean oil” production
- xpansion contingent on public relations and politics

In The Public Eye

-Significant public relations boost due to turning artificial tailing ponds into environmentally-safe lakes and wetlands

-Public relations project underway to create public parks out of legacy tailing ponds

-Political environment favourable of industrial expansion

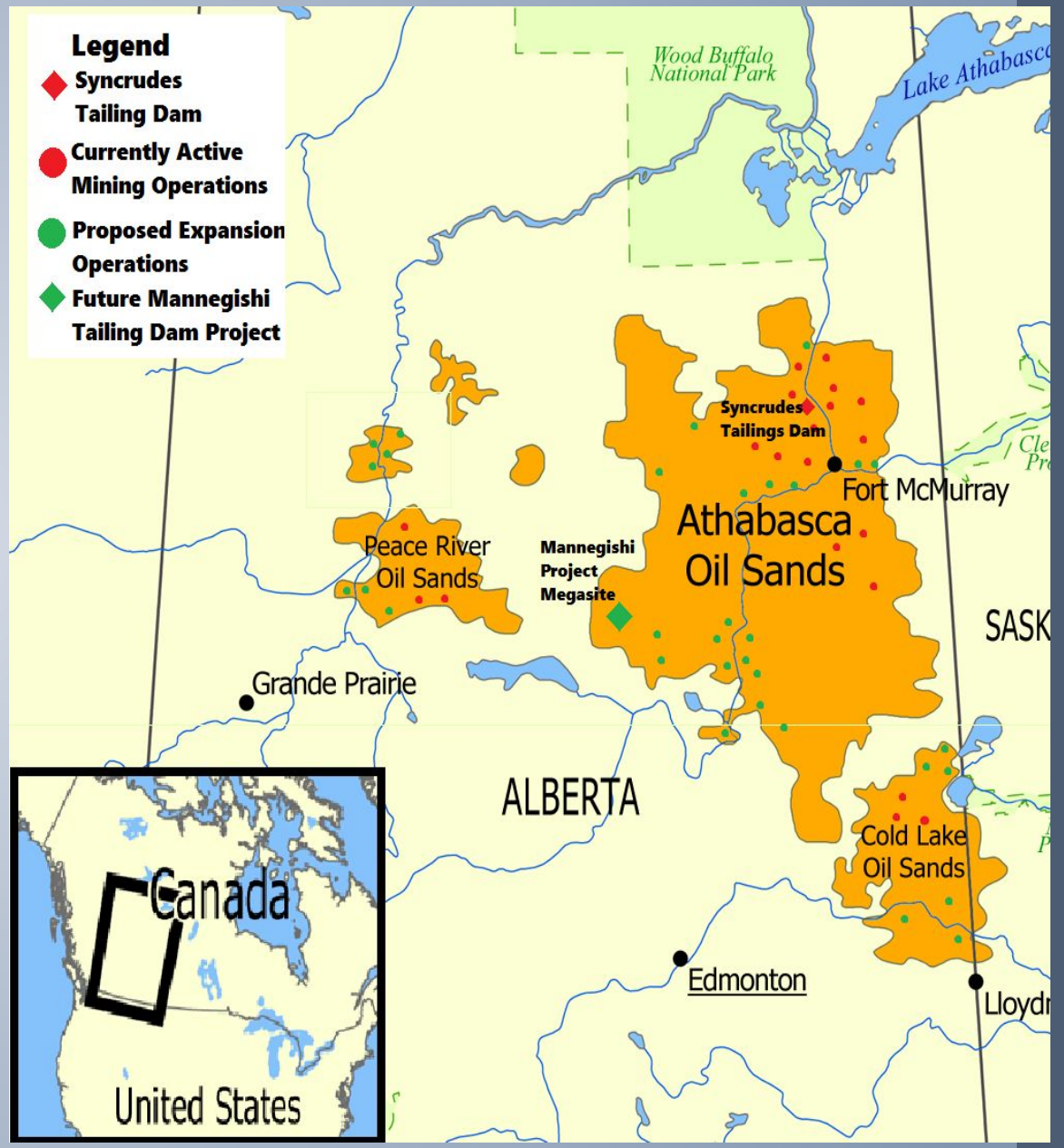
Expansion Oppurtunity

Rising With The World's Tide

-Within A 10-Year Time Frame, Doubling Of Mining Operations to meet global demand for oil
-Doubling of current production, 3 new mines annually equipped with Mammoth Technology

Mannegishi Mega-Dam

-Mannegishi Mega Dam under construction
-Facility will be able to remediate all newly produced tailings
-Estimated 400,000 Bbl/Day, with 300,000 tons of tailings/Day
-Equal to 1.5% of total world oil production



Issues To Consider

Native Land Rights and Tribal Negotiations

-Negotiations underway with several tribal governments for expansion rights and land usage rights

-Current disagreements over water usage from nearby rivers and environmental externalities

-Citation of health-care concerns, particularly regarding airborn toxic gases leaking from “Mammoth”

Casting A Shadow – Government Compliance

-Currently provincial government has a public anti “dirty oil” campaign

-Upcoming elections underway – promotion of “clean oil” (publicized by the advertisement of “Mammoth”) can increase public reputation

Salt Of The Earth – Environmental Regulations

-Issues with environmental pollution, partly but not completely addressed with Mammoth Reactor

-Concern over replacement of tailings toxicity with CO_2 emission from treatment facility and auxiliary operations